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SCHWEGMAN, LUNDBERG & WOESSNER/EBAY P.O. BOX 2938 MINNEAPOLIS, MN 55402				EXAMINER VIEZERIS, JAMES A
		ART UNIT 4172		PAPER NUMBER
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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

USPTO@SLWIP.COM

<b>Office Action Summary</b>	<b>Application No.</b> 10/733,700	<b>Applicant(s)</b> WATT ET AL.
	<b>Examiner</b> James A. Vezeris	<b>Art Unit</b> 4172

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If no period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

1) Responsive to communication(s) filed on 11 December 2003.

2a) This action is FINAL.      2b) This action is non-final.

3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

4) Claim(s) 1-64 is/are pending in the application.

4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.

5) Claim(s) \_\_\_\_\_ is/are allowed.

6) Claim(s) 1-64 is/are rejected.

7) Claim(s) 15,17,20,25 and 26 is/are objected to.

8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

9) The specification is objected to by the Examiner.

10) The drawing(s) filed on \_\_\_\_\_ is/are: a) accepted or b) objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a) All    b) Some \* c) None of:  
 1. Certified copies of the priority documents have been received.  
 2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

1) Notice of References Cited (PTO-892)  
 2) Notice of Draftsperson's Patent Drawing Review (PTO-948)  
 3) Information Disclosure Statement(s) (PTO-146/08)  
Paper No(s)/Mail Date 04/08/2004, 04/06/2004

4) Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_

5) Notice of Informal Patent Application

6) Other: \_\_\_\_\_

**Detailed Action**

**Claim Objections**

1. Claims 15, 17, 20, 25, and 26 are objected to because of the following informalities:

In claim 15 the phrase, "...financial instrument comprises at one of the following." Examiner notes this will be examined as, "...financial instrument comprises at least one of the following."

In claim 17 the phrase, "placing the one or bids" will be read as, "placing the one or more bids"

In claims 20 and 26, "setting of the interest rate" would be made clearer if it read, "setting of the initial interest rate."

In claim 25, "number of buyers" would be clearer if changed to "number of potential buyers."

Appropriate correction is required.

2. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

3. Claims 1-9, 14, 16-18, 20-21, 28-30, 32-46, 51, 53-55, 57, and 58 are rejected under 35 U.S.C. 102(b) as being unpatentable over US Patent 6,161,099 to Harrington et al. (Hereinafter "Harrington")

**Regarding Claim 1:**

Harrington teaches a method to set an interest rate for a transacted financial instrument, the method including:

publishing, via a computer network, information regarding the financial instrument and an interest rate at which the financial instrument is offered; (See Harrington Fig 5, Col 7 Lines 36-39)

receiving, via the computer network, offers from respective bidders to transact the financial instrument, the offers being expressed as offered interest rates at which the bidders are willing to transact the financial instrument; (See Harrington Col 9 Lines 24-36)

on the termination of a bid receiving process, determining whether at least one of the offers satisfies transaction criteria, defined by a seller of the financial instrument; (See Harrington Col 9 Lines 36-39)

if it is determined that at least one of the offers satisfies the transaction criteria, identifying the at least one of the offers as an accepted offer. (See Harrington Col 9 Lines 36-39)

**Regarding Claim 2:**

Harrington further teaches the information concerning the financial instrument is published from a server computer to a client computer via the computer network. (See Harrington Col 6 lines 41-52)

**Regarding Claim 3:**

Harrington further teaches receiving the information regarding the financial

instrument from the seller. (See Harrington Col 6 lines 26-36)

**Regarding Claim 4:**

Harrington further teaches the information regarding the financial instrument includes one or more of the following:

Price of the financial instrument, details about the financial instrument, maximum or minimum term of the financial instrument, and benefits of purchasing the financial instrument. (See Harrington Col 6 lines 26-36, Fig 15)

**Regarding Claim 5:**

Harrington further teaches the offers are received from the respective bidders at the server computer from respective client computers operated by the bidders. (See Harrington Col 6 Lines 41-52)

**Regarding Claim 6:**

Harrington further teaches the bid receiving process is a declining auction, the method including reducing the published interest rate at which the financial instrument is offered for sale during the bid receiving process. (See Harrington, Fig 10, Col 9 Lines 22-39)

**Regarding Claim 7:**

Harrington further teaches the reducing of the published interest rate is performed automatically by the server computer responsive to at least one of bidding activity and lack of bidding activity. (See Harrington, Fig 10, Col 9 Lines 22-39)

**Regarding Claim 8:**

Harrington further teaches the reducing of the published interest rate is performed by the server computer responsive to receipt of a lower interest rate that is lower than the published interest rate. (See Harrington Col 9 Lines 22-39, Col 10 Lines 22-31) Examiner notes that the bids are all going through the server computer.

**Regarding Claim 9:**

Harrington further teaches the published interest rate is reduced to be equal to the lower interest rate. (See Harrington Col 9 Lines 22-39, Col 10 Lines 13-21)

**Regarding Claim 14:**

Harrington further teaches the financial instrument comprises at least one of the following:

an interest-paying (IP) financial instrument including one or more of the following: a bond, a certificate of deposit, an interest-bearing checking account, a savings account, and a money market account; and an interest-receiving (IR) financial instrument including one or more of the following: a home mortgage loan, an automobile loan, a personal loan, a student loan, and a credit card. (See Harrington Col 6 Lines 10-26)

**Regarding Claim 16:**

Harrington teaches a method, comprising:  
setting an interest rate and a maximum interest rate for an interest-paying (IP) item at a first computer coupled with a second computer over a network, wherein the maximum rate includes a highest interest rate that a seller is willing to pay to a buyer for

the IP item; (See Harrington Fig 15, Col 7 Lines 36-39)

publishing the IP item for sale at the interest rate at the second computer; (See Harrington Fig 5, Col 7 Lines 36-39)

initiating a declining auction to publish the IP item for sale at declining interest rates at the second computer, responsive to bidding activity registered after the first computer; (See Harrington Col 9 Lines 24-36)

upon termination of the declining auction, determining whether one or more bids have been received at an interest rate lower than the maximum interest rate set at the first computer; (See Harrington, Fig 10, Col 9 Lines 22-39)

if so, selecting a lowest interest rate bid as a winning bid. (See Harrington Col 9 Lines 36-39, Col 10 Lines 13-30)

**Regarding Claim 17:**

Harrington further teaches:

placing the one or more bids at the second computer by one or more potential buyers; (See Harrington Col 9 Lines 24-36)

receiving the one or more bids at the first computer by the seller. (See Harrington Col 9 Lines 24-36) Examiner notes that once a bid is placed it gets passed onto the seller's computer.

**Regarding Claim 18:**

Harrington further teaches the IP item comprises one or more financial instruments including at least one of the following: a bond, a certificate of deposit, an interest-beating checking account, a savings account, and a money market account.

(See Harrington Col 6 Lines 10-26)

**Regarding Claim 20:**

Harrington further teaches the setting of the interest rate comprises at least one of the following: setting the interest rate by the seller or automatically setting the interest rate based on one or more factors including historical information regarding IP items similar to the IP item, buyer input, maximum rate of the IP item. (See Harrington Fig 15, Col 12 Lines 8-24)

**Regarding Claim 21:**

Harrington further teaches the first computer comprises a server computer and the second computer comprises a server computer or a client computer. (See Harrington Fig 15, Col 12 Lines 8-24) (See Harrington Col 6 lines 41-52)

**Regarding Claim 28:**

Harrington teaches an apparatus comprising:  
a client computer to publish information regarding a financial instrument and an interest rate at which the financial instrument is offered, the client computer to publish the information at a request from a server computer via a computer network; (See Harrington Fig 5, Col 7 Lines 36-39)

the server computer, coupled with the client computer, to receive offers from respective bidders to transact the financial instrument, the offers being expressed as offered interest rates at which the bidders are willing to transact the financial instrument, wherein the server computer to receive the offers from respective client computers operated by the bidders, (See Harrington Col 9 Lines 24-36)

on the termination of a bid receiving process, determine whether at least one of the offers satisfies transaction criteria, defined by a seller of the financial instrument, (See Harrington Col 9 Lines 36-39)

if it is determined that at least one of the offers satisfies the transaction criteria, identifying the at least one of the offers as an accepted offer. (See Harrington Col 9 Lines 36-39)

**Regarding Claim 29:**

Harrington further teaches the server computer is further to receive the information regarding the financial instrument from the seller. (See Harrington Col 6 lines 26-36)

**Regarding Claim 30:**

Harrington further teaches the bid receiving process is a declining auction, the method including the published interest rate at which the financial instrument is offered for sale during the bid receiving process, the published interest rate is performed automatically by the server computer responsive to at least one of bidding activity and lack of bidding activity. (See Harrington, Fig 10, Col 9 Lines 22-39)

**Regarding Claim 32:**

Harrington teaches a system, comprising:

a first storage medium; (See Harrington Col 6 lines 41-52) Examiner notes Harrington's first computer/server inherently has storage.  
a first computer, coupled with the first storage medium, to publish information regarding a financial instrument and an interest rate at which the financial instrument is

offered, the first computer to publish the information at a request from a second computer via a computer network; (See Harrington Col 6 lines 41-52, Fig 5, Col 7 Lines 36-39)

the second computer, coupled with the first computer and a second storage medium, (See Harrington Col 6 lines 41-52)

to receive offers from respective bidders to transact the financial instrument, the offers being expressed as offered interest rates at which the bidders are willing to transact the financial instrument, wherein the second computer to receive the offers from respective computers operated by the bidders, (See Harrington Col 9 Lines 24-36)

on the termination of a bid receiving process, determine whether at least one of the offers satisfies transaction criteria, defined by a seller of the financial instrument, (See Harrington Col 9 Lines 36-39)

if it is determined that at least one of the offers satisfies the transaction criteria, identifying the at least one of the offers as an accepted offer. (See Harrington Col 9 Lines 36-39)

**Regarding Claim 33:**

Harrington further teaches the first computer includes a client computer, and the second computer includes a server computer in a client-server architecture. (See Harrington Col 6 lines 41-52)

**Regarding Claim 34:**

Harrington further teaches the first computer includes a server computer, and the second computer includes another server computer in a peer-peer architecture.

(See Harrington Col 6 lines 41-52)

**Regarding Claim 35:**

Harrington further teaches the respective computers operated by the bidders include one or more client computers. (See Harrington Col 6 lines 41-52)

**Regarding Claim 36:**

Harrington further teaches the computer network includes a single network or a plurality of networks including at least one of the following: a wide area network, a local area network, an intranet, and the Internet. (See Harrington Col 6 lines 41-52, Fig 1)

**Regarding Claim 37:**

Harrington further teaches the first computer and the second computer each comprises one or more processors including at least one of the following: one or more microprocessors, one or more microcontrollers, one or more field programmable gate arrays (FPGA), one or more application specific integrated circuits (ASIC), one or more central processing units (CPU), and one or more programmable logic devices (PLD). (See Harrington Col 6 lines 41-52) Examiner notes that it is inherent in Harrington specification that his computer contain CPUs.

**Regarding Claim 38:**

Harrington teaches a machine-readable medium having stored thereon data representing sets of instructions which, when executed by a machine, cause the machine to:

publish, via a computer network, information regarding the financial instrument and an interest rate at which the financial instrument is offered; (See Harrington Fig 5,

Col 7 Lines 36-39)

receive, via the computer network, offers from prospective bidders to transact the financial instrument, the offers being expressed as offered interest rates at which the bidders are willing to transact the financial instrument; (See Harrington Col 9 Lines 24-36)

on the termination of a bid receiving process, determine whether at least one of the offers satisfies transaction criteria, defined by a seller of the financial instrument; (See Harrington Col 9 Lines 36-39)

if it is determined that at least one of the offers satisfies the transaction criteria, identify the at least one of the offers as an accepted offer. (See Harrington Col 9 Lines 36-39)

**Regarding Claim 39:**

Harrington further teaches the information concerning the financial instrument is published from a server computer to a client computer via the computer network. (See Harrington Col 6 lines 41-52)

**Regarding Claim 40:**

Harrington further teaches the sets of instructions which, when executed by the machine, further cause the machine to receive the information regarding the financial instrument from the seller. (See Harrington Col 6 lines 41-52)

**Regarding Claim 41:**

Harrington further teaches the information regarding the financial instrument includes one or more of the following: price of the financial instrument, details about the

financial instrument, maximum or minimum term of the financial instrument, and benefits of purchasing the financial instrument. (See Harrington Fig 15, Col 7 Lines 36-39)

**Regarding Claim 42:**

Harrington further teaches the offers are received from the respective bidders at the server computer from respective client computers operated by the bidders. (See

Harrington Col 6 Lines 41-52)

**Regarding Claim 43:**

Harrington further teaches the bid receiving process is a declining auction, the method including reducing the published interest rate at which the financial instrument is offered for sale during the bid receiving process. (See Harrington, Fig 10, Col 9 Lines 22-39)

**Regarding Claim 44:**

Harrington further teaches reducing of the published interest rate is performed automatically by the server computer responsive to at least one of bidding activity and a lack of bidding activity. (See Harrington, Fig 10, Col 9 Lines 22-39)

**Regarding Claim 45:**

Harrington further teaches the reducing of the published interest rate is performed by the server computer responsive to receipt of a lower interest rate that is lower than the published interest rate. (See Harrington Col 9 Lines 22-39, Col 10 Lines 22-31)

**Regarding Claim 46:**

Harrington further teaches the published interest rate is reduced to be equal to the lower interest rate. (See Harrington Col 9 Lines 22-39, Col 10 Lines 13-21)

**Regarding Claim 51:**

Harrington further teaches the financial instrument comprises at least one of the following:

an interest-paying (IP) financial instrument including one or more of the following: a bond, a certificate of deposit, an interest-bearing checking account, a savings account, and a money market account; and an interest-receiving (IR) financial instrument including one or more of the following: a home mortgage loan, an automobile loan, a personal loan, a student loan, and a credit card. (See Harrington Col 6 Lines 10-26)

**Regarding Claim 53:**

Harrington further teaches a machine-readable medium having stored thereon data representing sets of instructions which, when executed by a machine, cause the machine to:

set an interest rate and a maximum interest rate for an interest-paying (IP) item at a first computer coupled with a second computer over a network, wherein the maximum rate includes a highest interest rate that a seller is willing to pay to a buyer for the IP item; (See Harrington Fig 15, Col 12 Lines 8-24)

publish the IP item for sale at the interest rate at the second computer; (See

**Harrington Fig 5, Col 7 Lines 36-39)**

initiate a declining auction to publish the IP item for sale at declining interest rates at the second computer, responsive to bidding activity registered after the first computer; (See Harrington Col 9 Lines 24-36)

upon termination of the declining auction, determine whether one or more bids have been received at an interest rate lower than the maximum interest rate set at the first computer; (See Harrington Col 9 Lines 36-39)

if so, select a lowest interest rate bid as a winning bid. (See Harrington Col 9 Lines 36-39)

**Regarding Claim 54:**

Harrington further teaches the sets of instructions which, when executed by the machine, further cause the machine to:

place the one or more bids at the second computer by one or more potential buyers; (See Harrington Col 6 Lines 41-52)

receive the one or more bids at the first computer by the seller. (See Harrington Col 6 Lines 41-52)

**Regarding Claim 55:**

Harrington further teaches the IP item comprises one or more financial instruments including at least one of the following: a bond, a certificate of deposit, an interest-bearing checking account, a savings account, and a money market account. (See Harrington Col 6 Lines 10-26)

**Regarding Claim 57:**

Harrington further teaches the setting of the interest rate comprises at least one of the following:

setting the interest rate by the seller or automatically setting the interest rate based on one or more factors including historical information regarding IP items similar to the IP item, buyer input, maximum rate of the IP item. (See Harrington Fig 15, Col 12 Lines 8-24)

**Regarding Claim 58:**

Harrington further teaches the first computer comprises a server computer and the second computer comprises a server computer or a client computer. (See Harrington Col 6 lines 41-52)

**Claim Rejections- 35 U.S.C. 103(a)**

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 10-13, 15, 22-24, 26, 27, 31, 47-50, 52, 59-61, 63, 64 rejected under 35 U.S.C. 103(a) as being unpatentable over Harrington in view of US PG-Pub 2002/0198814 to Bansal et al. (Hereinafter "Bansal").

**Regarding Claim 10:**

Harrington, alone, fails to further teach that the bid receiving process is an ascending auction, the method including increasing the published interest rate at which

the financial instrument is offered for sale during the bid receiving process. However, Harrington combined with Bansal does. (See Harrington, Fig 10, Col 9 Lines 22-39, Bansal Fig 4, Paragraph 109) Bansal teaches about an ascending auction, while Harrington teaches the framework necessary to implement the ascending auction.

Combining Bansal with Harrington is obvious. There is motivation to do so because the framework for the system is already in place because of Harrington and the resulting invention would increase bidding efficiency, leading to fair lending and borrowing practices.

**Regarding Claim 11:**

Harrington combined with Bansal further teaches the ascension of the published interest rate is performed automatically by the server computer responsive to at least one of bidding activity and lack of bidding activity. (See Harrington, Fig 10, Col 9 Lines 22-39) Examiner notes the simple change of coding necessary to publish the ascending interest is trivial to accomplish.

Combining Bansal with Harrington is obvious. There is motivation to do so because the framework for the system is already in place because of Harrington and the resulting invention would increase bidding efficiency, leading to fair lending and borrowing practices.

**Regarding Claim 12:**

Harrington and Bansal further teaches the ascension of the published interest rates is performed by the server computer responsive to receipt of a higher interest rate

that is higher than the published interest rate. (See Harrington, Fig 10, Col 9 Lines 22-39, Bansal section 2.3)

Combining Bansal with Harrington is obvious. There is motivation to do so because the framework for the system is already in place because of Harrington and the resulting invention would increase bidding efficiency, leading to fair lending and borrowing practices.

**Regarding Claim 13:**

Harrington and Bansal further teaches the published interest rate is increased to be equal to the higher interest rate. (See Harrington, Fig 10, Col 9 Lines 22-39)

Combining Bansal with Harrington is obvious. There is motivation to do so because the framework for the system is already in place because of Harrington and the resulting invention would increase bidding efficiency, leading to fair lending and borrowing practices.

**Regarding Claim 15:**

Harrington and Bansal further teaches the interest rate set by the seller for the transacted financial instrument comprises at one of the following:

    a maximum interest rate having a highest interest rate that the seller is willing to pay to a buyer for the IP financial instrument;

    a minimum interest rate having a lowest interest rate that the seller is willing to accept from the buyer for the IR financial instrument. (See Harrington Fig 15, Col 7 Lines 36-39)

Combining Bansal with Harrington is obvious. There is motivation to do so because the framework for the system is already in place because of Harrington and the resulting invention would increase bidding efficiency, leading to fair lending and borrowing practices.

**Regarding Claim 22:**

Harrington and Bansal teach a method, comprising:

setting an interest rate and a minimum interest rate for an interest-receiving (IR) item at a first computer coupled with a second computer over a network, wherein the minimum rate includes a lowest interest rate that a seller is willing to accept from a buyer for the IR item; (See Harrington Fig 15, Col 7 Lines 36-39, Bansal Paragraph 109)

publishing the IP item for sale at the interest rate at the second computer; (See Harrington Fig 5, Col 7 Lines 36-39 Bansal Paragraph 109)

initiating an ascending auction to publish the IR item for sale at ascending interest rates at the second computer, responsive to bidding activity registered after the first computer; (See Harrington Col 9 Lines 24-36 Bansal Paragraph 109)

upon termination of the ascending auction, determining whether one or more bids have been received at an interest rate higher than the minimum interest rate set at the first computer; (See Harrington Col 9 Lines 36-39 Bansal Paragraph 109)

if so, selecting a highest interest rate bid as a winning bid. (See Harrington Col 9 Lines 36-39 Bansal Paragraph 109)

Combining Bansal with Harrington is obvious. There is motivation to do so because the framework for the system is already in place because of Harrington and the

resulting invention would increase bidding efficiency, leading to fair lending and borrowing practices.

**Regarding Claim 23:**

Harrington and Bansal further teach:

placing the one or bids at the second computer by one or more potential buyers;  
(See Harrington Col 9 Lines 24-36)

receiving the one or more bids at the first computer by the seller. (See Harrington Col 9 Lines 24-36)

Combining Bansal with Harrington is obvious. There is motivation to do so because the framework for the system is already in place because of Harrington and the resulting invention would increase bidding efficiency, leading to fair lending and borrowing practices.

**Regarding Claim 26:**

Harrington and Bansal further teach the setting of the interest rate comprises at least one of the following: setting the interest rate by the seller or automatically setting the interest rate based on one or more factors including historical information regarding IR items similar to the IR item, buyer input, maximum rate of the IR item. (See Harrington Fig 15, Col 12 Lines 8-24)

Combining Bansal with Harrington is obvious. There is motivation to do so because the framework for the system is already in place because of Harrington and the resulting invention would increase bidding efficiency, leading to fair lending and borrowing practices.

**Regarding Claim 27:**

Harrington and Bansal further teach the first computer comprises a server computer and the second computer comprises a server computer or a client computer. (See Harrington Fig 15, Col 12 Lines 8-24) (See Harrington Col 6 lines 41-52)

Combining Bansal with Harrington is obvious. There is motivation to do so because the framework for the system is already in place because of Harrington and the resulting invention would increase bidding efficiency, leading to fair lending and borrowing practices.

**Regarding Claim 31:**

Harrington and Bansal further teach the bid receiving process is an ascending auction, the method including increasing the published interest rate at which the financial instrument is offered for sale during the bid receiving process, the published interest rate is performed automatically by the server computer responsive to at least one of bidding activity and lack of bidding activity. (See Harrington, Fig 10, Col 9 Lines 22-39, Bansal Fig 4, Paragraph 109) Bansal teaches about an ascending auction, while Harrington teaches the framework necessary to implement the ascending auction.

Combining Bansal with Harrington is obvious. There is motivation to do so because the framework for the system is already in place because of Harrington and the resulting invention would increase bidding efficiency, leading to fair lending and borrowing practices.

**Regarding Claim 47:**

Harrington and Bansal further teach the bid receiving process is an ascending auction, the method including increasing the published interest rate at which the financial instrument is offered for sale during the bid receiving process. (See Harrington, Fig 10, Col 9 Lines 22-39) Examiner notes the simple change of coding necessary to publish the ascending interest is trivial to accomplish.

Combining Bansal with Harrington is obvious. There is motivation to do so because the framework for the system is already in place because of Harrington and the resulting invention would increase bidding efficiency, leading to fair lending and borrowing practices.

**Regarding Claim 48:**

Harrington and Bansal further teach the ascension of the published interest rate is performed automatically by the server computer responsive to at least one of bidding activity and a lack of bidding activity.(See Harrington, Fig 10, Col 9 Lines 22-39) Examiner notes the simple change of coding necessary to publish the ascending interest is trivial to accomplish.

Combining Bansal with Harrington is obvious. There is motivation to do so because the framework for the system is already in place because of Harrington and the resulting invention would increase bidding efficiency, leading to fair lending and borrowing practices.

**Regarding Claim 49:**

Harrington and Bansal further teach the ascension of the published interest rates

is performed by the server computer responsive to receipt of a higher interest rate that is higher than the published interest rate. (See Harrington, Fig 10, Col 9 Lines 22-39)

Combining Bansal with Harrington is obvious. There is motivation to do so because the framework for the system is already in place because of Harrington and the resulting invention would increase bidding efficiency, leading to fair lending and borrowing practices.

**Regarding Claim 50:**

Harrington and Bansal further teach the published interest rate is increased to be equal to the higher interest rate. (See Harrington, Fig 10, Col 9 Lines 22-39)

Combining Bansal with Harrington is obvious. There is motivation to do so because the framework for the system is already in place because of Harrington and the resulting invention would increase bidding efficiency, leading to fair lending and borrowing practices.

**Regarding Claim 52:**

Harrington and Bansal further teach the interest rate set by the seller for the transacted financial instrument comprises at one of the following:

    a maximum interest rate having a highest interest rate that the seller is willing to pay to a buyer for the IP financial instrument; and

    a minimum interest rate having a lowest interest rate that the seller is willing to accept from the buyer for the IR financial instrument. (See Harrington Fig 15, Col 7 Lines 36-39)

Combining Bansal with Harrington is obvious. There is motivation to do so because the framework for the system is already in place because of Harrington and the resulting invention would increase bidding efficiency, leading to fair lending and borrowing practices.

**Regarding Claim 59:**

Harrington and Bansal further teach a machine-readable medium having stored thereon data representing sets of instructions which, when executed by a machine, cause the machine to:

set an interest rate and a minimum interest rate for an interest-receiving (IR) item at a first computer coupled with a second computer over a network, wherein the minimum rate includes a lowest interest rate that a seller is willing to accept from a buyer for the IR item; (See Harrington Fig 15, Col 7 Lines 36-39, Bansal Paragraph 109)

publish the IP item for sale at the interest rate at the second computer; initiate an ascending auction to publish the IR item for sale at ascending interest rates at the second computer, responsive to bidding activity registered after the first computer; (See Harrington Fig 5, Col 7 Lines 36-39 Bansal Paragraph 109)

upon termination of the ascending auction, determine whether one or more bids have been received at an interest rate higher than the minimum interest rate set at the first computer; (See Harrington Col 9 Lines 36-39 Bansal Paragraph 109)

if so, select a highest interest rate bid as a winning bid. (See Harrington Col 9 Lines 36-39 Bansal Paragraph 109)

Combining Bansal with Harrington is obvious. There is motivation to do so because the framework for the system is already in place because of Harrington and the resulting invention would increase bidding efficiency, leading to fair lending and borrowing practices.

**Regarding Claim 60:**

Harrington and Bansal further teach the sets of instructions which, when executed by the machine, further cause the machine to:

place the one or bids at the second computer by one or more potential buyers;  
(See Harrington Col 9 Lines 24-36)

and receive the one or more bids at the first computer by the seller. (See Harrington Col 9 Lines 24-36)

Combining Bansal with Harrington is obvious. There is motivation to do so because the framework for the system is already in place because of Harrington and the resulting invention would increase bidding efficiency, leading to fair lending and borrowing practices.

**Regarding Claim 63:**

Harrington and Bansal further teach the setting of the interest rate comprises at least one of the following: setting the interest rate by the seller or automatically setting the interest rate based on one or more factors including historical information regarding IR items similar to the IR item, buyer input, maximum rate of the IR item. (See Harrington Fig 15, Col 12 Lines 8-24)

Combining Bansal with Harrington is obvious. There is motivation to do so because the framework for the system is already in place because of Harrington and the resulting invention would increase bidding efficiency, leading to fair lending and borrowing practices.

**Regarding Claim 64:**

Harrington and Bansal further teach the first computer comprises a server computer and the second computer comprises a server computer or a client computer. (See Harrington Col 6 lines 41-52)

Combining Bansal with Harrington is obvious. There is motivation to do so because the framework for the system is already in place because of Harrington and the resulting invention would increase bidding efficiency, leading to fair lending and borrowing practices.

6. Claims 19 and 56 are rejected under 35 U.S.C. 103(a) as being unpatentable over Harrington in view of PG-Pub 2001/0027436 to Tenembaum (Hereinafter "Tenenbaum").

**Regarding Claim 19:**

Harrington and Tenembaum further teach the predetermined time is modified based on at least one of the following factors: number of buyers reviewing the IP item, number of bids received for the IP item, current interest rate, and selling price of similar or related IP items in other declining auctions. (See Tenembaum Paragraph 215)

It is obvious to combine Harrington and Tenembaum. There is motivation to do so because the framework for the system is already in place because of Harrington and the resulting invention would increase bidding efficiency, leading to fair lending and borrowing practices.

**Regarding Claim 56:**

Harrington and Tenembaum further teach the predetermined time is modified based on at least one of the following factors: number of buyers reviewing the IP item, number of bids received for the IP item, current interest rate, and selling price of similar or related IP items in other declining auctions. (See Tenembaum Paragraph 215)

It is obvious to combine Harrington and Tenembaum. There is motivation to do so because the framework for the system is already in place because of Harrington and the resulting invention would increase bidding efficiency, leading to fair lending and borrowing practices.

7. Claims 24, 25, 61, and 62 are rejected under 35 U.S.C. 103(a) as being unpatentable over Harrington in view of Bansal in further view of Tenenbaum.

**Regarding Claim 24:**

Harrington and Bansal and Tenembaum further teach the IR item comprises one or more financial instruments including at least one of the following: a home mortgage loan, an automobile loan, a personal loan, a student loan, and a credit card. (See Tenembaum Paragraph 46)

It is obvious to combine Harrington and Tenembaum and Bansal. There is motivation to do so because the framework for the system is already in place because of Harrington and the resulting invention would increase bidding efficiency, leading to fair lending and borrowing practices.

**Regarding Claim 25:**

Harrington and Bansal and Tenembaum further teach the predetermined time is modified based on at least one of the following factors: number of buyers reviewing the IP item, number of bids received for the IR item, current interest rate, and selling price of similar or related IR items in other ascending auctions. (See Tenembaum Paragraph 215)

It is obvious to combine Harrington and Tenembaum and Bansal. There is motivation to do so because the framework for the system is already in place because of Harrington and the resulting invention would increase bidding efficiency, leading to fair lending and borrowing practices.

**Regarding Claim 61:**

Harrington and Bansal and Tenembaum further teach the IR item comprises one or more financial instruments including at least one of the following: a home mortgage loan, an automobile loan, a personal loan, a student loan, and a credit card. (See Tenembaum Paragraph 46)

It is obvious to combine Harrington and Tenembaum and Bansal. There is motivation to do so because the framework for the system is already in place because

of Harrington and the resulting invention would increase bidding efficiency, leading to fair lending and borrowing practices.

**Regarding Claim 62:**

Harrington and Bansal and Tenembaum further teach the predetermined time is modified based on at least one of the following factors: number of buyers reviewing the IP item, number of bids received for the IR item, current interest rate, and selling price of similar or related IR items in other ascending auctions. (See Tenembaum Paragraph 215)

It is obvious to combine Harrington and Tenembaum and Bansal. There is motivation to do so because the framework for the system is already in place because of Harrington and the resulting invention would increase bidding efficiency, leading to fair lending and borrowing practices.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to James A. Vezeris whose telephone number is 571-270-1580. The examiner can normally be reached on Monday-alt. Fridays 7:30am-5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Tom Dixon can be reached on 571-272-6803. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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